

The Locator Services Group Ltd.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

LEHMAN BROTHERS HOLDINGS, INC.
et al.

Case No. 08-13555 (JMP)

(Jointly Administered)

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AMENDED SUPPLEMENTAL OBJECTION OF THE LOCATOR SERVICES GROUP LTD. TO PROPOSED CURE AMOUNT INCLUDED ON THE DEBTORS' LIST OF IT CLOSING DATE CONTRACTS AND RESERVATION OF RIGHTS REGARDING ASSUMPTION AND ASSIGNMENT OF CLOSING DATE CONTRACTS

The Locator Services Group Ltd. ("TLSG"), by and through its counsel, Kim Sawyer, respectfully submits this Amended Supplemental Objection to Lehman Brother's Holdings Inc. (the "Debtors") Notice for the Assumption and Assignment of, and Amounts Necessary to Cure Defaults Under Contracts and Leases to be Assumed and Assigned to Successful Purchaser (the "Assumption Notice") by Lehman Brothers Inc. ("LBI"). TLSG filed its Objection to the Debtors proposed cure amount as set forth in the three lists maintained by the Debtors on the website <http://chapter11.epigsystems.com/lehman> (the "Website") on October 3, 2008. See TLSG Objection, Docket No. 597, incorporated herein by reference. In support of its Supplemental Objection TLSG states as follows:

Background

- (1) Pursuant to the terms of a Master Services Agreement (“MSA”) between LBI and TLSG (“MSA”), TLSG has a longstanding and ongoing agreement with LBI to identify and recover unclaimed and abandoned monies and other unclaimed financial assets belonging to LBI, its subsidiaries and acquisitions. In accordance with the LBI, TLSG is currently in the process of recovering significant funds and other financial assets funds on behalf of LBI. A copy of LBI’s MSA with TLSG, effective November 17, 2003 with a renewal date of December 31, 2008, is attached to the original Objection as Exhibit A and incorporated herein by reference.
- (2) To date, pursuant to the terms of the MSA, TLSG has facilitated payments for LBI totaling in excess of \$1,068,000.00.
- (3) To date, pursuant to the terms of the MSA, TLSG is the course of recovering an additional 12 claims for LBI totaling approximately \$950,000.00. See TLSG LBI Pending Claim Summary, attached hereto as Exhibit A and incorporated herein by reference. Regardless of whether or not the MSA is assumed by Barclays Capital Inc. (“Barclays”), these funds will likely be paid to LBI or Barclays, as result of TLSG’s actions occurring prior to LBI’s bankruptcy filing.
- (4) TLSG’s recovery efforts with respect to all 12 pending claims were initiated prior to the September 22, 2008 Barclays sale date. See Exhibit A. The latest recovery start date of the 12 pending claims is July 18, 2008. TLSG’s contractual 10% recovery fee is due and

payable upon LBI's recovery of each claim and in total is expected to be approximately \$95,000.00.¹ It is expected that these claims will be paid some time over the next eighteen months.

- (5) Additionally, TLSG anticipates that there is approximately \$250,000 to \$500,000 in additional unclaimed and abandoned property and assets belonging to LBI, which due to LBI's bankruptcy and sale to Barclays, have not yet been identified by TLSG to LBI or Barclays.

Supplemental Objection and Reservation of Rights

- (6) On September 15, 2008 LBI filed for relief under Chapter 11, Title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York. On September 17, 2008 LBI filed a motion with the Court seeking (i) to sell certain of the Debtor's assets, and (ii) to assume and assign certain executory contracts to a third- party purchaser, Barclays. On September 22, 2008 the Court approved the Barclays sale.

- (7) TLSG subsequently received the first Assumption Notice, which stated that the lists of contracts to be assumed and assigned, and the proposed cure amounts for such contracts, were being communicated to creditors by the posting of three lists on the Website. On September 18, 2008 three lists were posted on the Website by the Debtors: (1) the First

¹ TLSG recovery fee for the 12 pending claims is an estimate of its final total fees, since a complete fee amount is unknown until each claim is individually paid to LBI. Also, Virginia will not reveal its pending claim amount until the claim has been paid to LBI, so TLSG 10% recovery fee for that claim remains unknown. TLSG is providing the best approximation of its recovery fees once LBI is paid for all 12 claims.

List identified those contracts chosen to be assumed by Barclays; (2) the Second List contained the contracts between the creditor and LBI and the proposed cure amount(s) due under those contracts; and (3) the Third List contained the assumed contracts involving real property or licenses.

(8) TLSG did not appear on the First List, which contained the list of existing LBI contracts with those already assumed by Barclays highlighted in yellow. The Second List with the proposed cure amounts of the listed contracts did include TLSG, but incorrectly stated that the cure amount currently owed under the MSA to TLSG is \$0. See Exhibit B to original Objection, incorporated herein by reference. As noted previously the estimated cure amount for TLSG's MSA is approximately \$95,000.00. See Exhibit A. Therefore TLSG's outstanding cure amount for the LBI contract is approximately \$95,000.00.

(9) On October 1, 2008 all three lists were amended. Subsequent to those amendments, TLSG received a "Notice of Revised Exhibit A to Notice of Revisions to Schedules of Certain Contracts Assumed and Assigned to Purchaser." TLSG is listed on Exhibit A to this Notice, and upon further inspection of the Amended Lists it was discovered that TLSG had been removed from the Second List. Barclays now has pending a Motion for Relief Concerning Certain Contracts Erroneously Posted With The "Closing Date Contracts." See AP No. 08-01420 (JMP), Docket Nos. 92,96. Barclays states in its Motion that due to an error that occurred in reformatting the Lists for the original September 18, 2008 posting, approximately 179 contracts that Barclays had not designated as Closing Date Contracts were erroneously included on those three lists.

(10) Although TLSG was removed from the Second List on the October 1, 2008

Website update, Barclays still has 60 days from the date of the September 22, 2008 Sale Date to assume LBI contracts Therefore, since the assumption status of TLSG's MSA still remains unclear, TLSG reserves its' rights at this time regarding this issue as Barclay still has the opportunity to assume TLSG's MSA.

WHEREFORE, for the reasons set forth herein, TLSG respectfully (i) requests that the Court clarify whether TLSG's MSA will be assumed by Barclays; (ii) objects to the proposed cure amount set forth in the Assumption Notice and applicable Second List and respectfully request that the cure amount be changed to reflect the service fee of approximately \$95,000.00, which will be due TLSG ; (iii) expressly reserves its rights under Section 365 of the Bankruptcy Code; (iv) reserves its right to supplement this filing; and (v) requests that this Court grant such other and further relief as may be appropriate.

Dated: October 21, 2008

The Locator Services Group Ltd.

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